

Community Wastewater Management System (CWMS)



The City of Tea Tree Gully is licensed by the Essential Services Commission of South Australia (ESCOSA) to operate as an intermediate water retailer under the *Water Industry Act 2012* (WIA) to provide wastewater services in South Australia.

How the CWMS works

Your property is connected to the CWMS because it is not directly serviced by SA Water’s sewer system.

The CWMS is a complex pipe network stretching 117 km over 70 zones to support about 12,400 people.

Household waste from toilets, kitchens, bathrooms and laundries enters a septic tank on each property connected to the CWMS.

Solids then settle at the bottom of the tank, while liquid waste flows into the network and then into an SA Water sewer main or an approved treatment facility.

Council cleans sludge from each tank every four years.

While the system is stable, like all utilities, it requires maintenance to remain operational.

How the CWMS is funded

Council charges property owners connected to the CWMS an annual service charge in their rates bill to fund the CWMS. All charges are re-invested in the network.

Unlike other ratepayers, residents connected to the CWMS do not pay SA Water sewer fees.

The operation, maintenance and renewal of the CWMS network cost Council \$4.01 million in 2019–2020.

What your CWMS charge covers

- The operation and maintenance of the network
- Renewal and upgrade of the mains
- Routine pump outs of septic tanks
- Service support
- Fees charged by SA Water to accept wastewater into their system for treatment – about \$700,000 annually
- Costs associated with depreciation, capital and risk

The table opposite shows the CWMS budget breakdown for the 2019-2020 financial year. This includes the funding shortfall of \$907,848, which is currently being subsidised through general rate revenue.

Revenue

Service charge revenue (connected)	\$2,945,269
Service charge revenue (unconnected)	\$67,940
Other income	\$94,296

Total revenue \$3,107,505

Operating expenses

Employee costs - maintenance staff	\$639,287
Contractual expenses	\$567,034
SA Water discharges	\$591,664
Plant, materials & maintenance	\$120,124
Depreciation	\$451,000
Employee costs - administration	\$492,811

Total operating expenses \$2,861,920

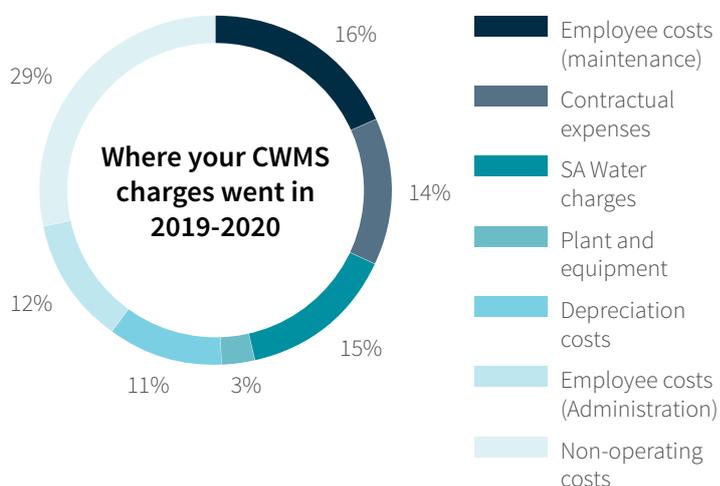
Non-operating expenses

Cost of capital	\$266,124
Cost of risk	\$887,309

Total non-operating expenses \$1,153,432

Total expenses \$4,015,353

Funding gap -\$907,848



Charges to increase

Legislative changes by ESCOSA mean that Council has to recover the full cost of operating and maintaining the CWMS from users of the service.

Costs were previously subsidised, with about \$7,614,565 of general rates revenue re-invested in the system since 2011.

As this is no longer possible, annual CWMS charges will gradually increase over the next few years until full cost recovery is reached in 2022–2023.

On 28 July 2020, Council considered the report *Community Wastewater Management System Service Fee* and endorsed a \$75 increase in the annual CWMS charge for 2020-21. The full resolution is provided below for your reference.

Council resolution - 28 July 2020

1. That Council notes that SA Water have verbally suggested a transition model that will cause the network ownership to transfer to SA Water as it is upgraded over several years. This approach means that the CWMS service charge is still relevant and still required to meet ESCOSA compliance to achieve full cost recovery from CWMS property owners.
2. That pursuant to Section 155 of the Local Government Act 1999, that the method of recovery of costs relating to the management of Council's Community Wastewater Management Systems (CWMS) be by an annual service charge for the financial year ending 30 June 2021 be declared as follows:
 - (a) \$480 per property unit against all vacant properties serviced by the Council managed CWMS, or
 - (b) \$480 per property unit against all occupied properties serviced by the Council managed CWMS where the property is charged a SA Water sewer service charge, or
 - (c) \$725 per property unit against all other occupied properties serviced by Council managed CWMS.

in respect of the financial year ending 30 June 2021 and in accordance with the following conditions:

- 2.1. That all CWMS managed by the City of Tea Tree Gully be consolidated as one scheme for the purposes of costing and recovery of costs incurred with regards to the level of usage of the system.

- 2.2. That the method of collecting the annual service charge for community wastewater management scheme be the same as the method used for the collection of general rates.

3. The annual service charge per property unit, is calculated using the following method:
 - (a) That a service charge/s be made against each property benefiting from Council's CWMS to recover the cost pursuant to Section 155 (5) of the Local Government Act 1999; and
 - (b) That each property unit so charged shall pay an equal amount, that is, a mean average service charge but varied according to whether the relevant land is vacant or occupied; and
 - (c) That each property unit be based on the Code for Establishing and Applying Property Units as a Factor for the Imposition of Annual Services Charges for Community Wastewater Management Systems in accordance with Regulation 12 of the Local Government (General) Regulations 2013.
4. That in recognition that the transition of CWMS network ownership to SA Water will take several years, Council's Chief Executive Officer and Deputy Mayor meet with ESCOSA to seek clarification on potential options available to the Council, while remaining compliant with the Water Industry Act 2012.

The future of CWMS

In 2020, the State Government announced that they will commit to connect properties with septic tanks to SA Water's sewer system. Council is currently working with SA Water to help develop a program for these conversions.

More information

- Visit cttg.sa.gov.au/CWMS
- Call us on **8397 7444**
- Email customerservice@cttg.sa.gov.au